

Largest Ever USDA Rural Development Investment in NY will Repair System that 2008 Engineering Report Deemed "Near Failure"

Monticello, NY - Congressman Maurice Hinchey (D-NY) today was joined by United States Department of Agriculture (USDA) Rural Development Agency New York State Director Jill Harvey, Monticello Mayor Gordon Jenkins, and county and local officials to announce a major federal investment for the repair of the wastewater collection and treatment systems in the Village of Monticello.

The \$14.4 million grant and low-interest loan award, which represents the largest ever committed by USDA Rural Development in New York, will allow the village to lay a foundation for new economic development that is currently inhibited by an aging system, which was deemed "near failure" by a 2008 village engineering report. The federal funding comes from the American Recovery and Reinvestment Act (ARRA) of 2009, for which Hinchey strongly supported and voted.

"At one time, the Village of Monticello was a hub for tourism as many from downstate and throughout the country traveled to the Catskills to take advantage of the area's fine resorts and beautiful landscapes," said Hinchey. "While the village has struggled over the past several decades, the efforts to revitalize and improve Monticello are gaining strength, and critical to that is well-maintained public infrastructure to serve existing and new businesses and residents. With this substantial commitment of federal resources through the Recovery Act, we will be able to alleviate the cost burden to local ratepayers while also helping to create engineering and construction jobs. This much-needed upgrade, along with the reconstruction of Broadway, will help to support growth in this historic village for decades to come."

Hinchey supported the village's application throughout the approval process with state and national Rural Development officials. When the preliminary determination seemed at jeopardy of being significantly reduced, Hinchey spoke personally to Dallas Tonsager, Under Secretary for Rural Development at the USDA, stressing the importance of the project to economic development and revitalization in Monticello and the Catskill region. The award was also facilitated due to the fact that it is located in the Sullivan-Wawarsing Rural Economic Area Partnership (REAP) Zone, which was established by Hinchey in 1999 and extended last year. REAP Zones are federally-designated areas experiencing serious economic distress that receive preference for USDA grant and loan funding.

"USDA Rural Development's mission is to improve the quality of life in rural areas, and this award for the Village of Monticello certainly helps us achieve that objective," said Harvey, State Director for USDA Rural Development in New York. "The \$14.4 million grant and low-interest loan package is the largest award USDA Rural Development has ever provided for a wastewater project in this state and will directly result in improved services and cost savings for the Village's 6,000-plus residents."

Much of the mechanical equipment at the Wastewater Treatment Plant is over 25 years old, and parts of the sanitary collection system are over 50 years old and nearing failure. The planned system improvements are critical for protection of the public health and the environment. It would be nearly impossible to make the needed improvements without a substantial commitment of federal resources. With a small population of 6,513 and a median household income of \$22,671, the village would be hard pressed to fund the repairs and upgrades through rate and tax increases. At the same time, the village would not be able to support any new development or growth until the most distressed parts of the wastewater infrastructure have been repaired and made dependable.

The village will receive a grant of \$6,447,000 and a loan for 7,984,000 at an interest rate of 2.375 percent. This is both the largest grant award and total grant and loan package ever provided by Rural Development in New York State. The Village will also contribute \$569,000 towards the \$15 million project. The project will focus on the reconstruction of the existing wastewater treatment facility, upgrading it to a modern, energy-efficient plant that will significantly reduce energy costs from operations.

The village and USDA Rural Development signed a Letter of Conditions this week that allows the project to advance. The project will be designed and engineered over the fall and winter with construction anticipated to begin in the summer of 2011.